

CONTRACT #4
RFS # 343.52-677

Department of Health
Health Services
Administration

VENDOR:
Ceridian Corporation



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
CORDELL HULL BLDG.
425 5TH AVENUE NORTH
NASHVILLE TENNESSEE 37247

PHIL BREDESEN
GOVERNOR

RECEIVED
OCT 31 2007
FISCAL REVIEW

SUSAN R. COOPER, MSN, RN
COMMISSIONER

October 30, 2007

M.D. Goetz, Jr., Commissioner
Department of Finance & Administration
State Capitol, First Floor
Nashville, TN 37243-0285

Dear Commissioner Goetz:

The Department of Health requests your approval to non-competitively amend the Competitive Contract Number FA-06-16851-03 with Ceridian Corporation for the provision of a statewide toll free telephone based system called the Tennessee Tobacco QuitLine to assist tobacco users in quitting.

In May 2007, the Department submitted amendment #3 to continue the services of Ceridian Corporation. Since that time, we have recognized the need for ongoing and enhanced promotion of the QuitLine. In addition, the General Assembly appropriated \$10,000,000 to fund the Tobacco Use Prevention and Cessation Initiative on July 1, 2007. A portion of the funds have been allocated for enhancement of counseling services and promotion of the Tennessee Tobacco Quitline. After the appropriation was made in July 2007, the Department of Health began actively planning for the use of this funding to coincide with implementation of the Non-Smokers Protection Act.

We would like to amend the Department's contract with Ceridian Corporation to allow for system and reporting enhancements along with an increase in funding for promotion of the Tennessee Tobacco QuitLine through production, placement and distribution of print media, radio, employer directed marketing, and indoor and outdoor ads. The increase in funding will allow for additional questions to be asked of each caller that coincide with the smoking ban that began October 1, 2007. The additional questions will be reported into the computerized tracking system and databases. The enhancements in this amendment will also allow for the collection of satisfaction surveys and testimonials from Quitline clients in each health region.

We appreciate your approval to proceed with the amendment. Thank you for considering this request.

Sincerely,

Susan R. Cooper, MSN, RN

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

OCT 31 2007

Commissioner of Finance & Administration

Date:

FISCAL REVIEW

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #

343.52-677-06

2) State Agency Name :

DEPARTMENT OF HEALTH

EXISTING CONTRACT INFORMATION

3) Service Caption :

TOBACCO QUITLINE SERVICES

4) Contractor :

CERIDIAN CORPORATION

5) Contract #

FA-06-16851-03

6) Contract Start Date :

June 30, 2006

7) Current Contract End Date IF all Options to Extend the Contract are Exercised :

June 29, 2011

8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$ 1,844,522

PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment #

Four

10) Proposed Amendment Effective Date :

(attached explanation required if date is < 60 days after F&A receipt)

January 1, 2008

11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised :

June 29, 2011

12) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$2,128,049

13) Approval Criteria :
(select one)

use of Non-Competitive Negotiation is in the best interest of the state



only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service :

With the major policy successes achieved during the last legislative session such as passage of the Non-Smoker's Protection Act and an increase in the cigarette excise tax, the Governor and Commissioner of Health have embarked on a major initiative to implement a comprehensive tobacco use prevention and cessation effort in Tennessee. The initiative complements the goals and objective of the National Tobacco Control Program administered at the federal level by the Centers for Disease Control and Prevention and locally by the Department of Health. The initiative includes the enhancement of cessation counseling services, reporting and promotion of the Tennessee Tobacco QuitLine, a key evidence based strategies used by the Department of Health to offer tobacco users help in quitting

and ultimately decrease tobacco use in Tennessee. This Amendment is being proposed in an effort to improve promotion of the Tennessee Tobacco QuitLine as a recognized resource and asset for the provision of services to assist citizens of Tennessee in their desire and attempts to cease use of, and dependence on tobacco products. The funding and scope of service additions provide the following: 1) Fund additional Media development and media placement sources ;2) Fund development of additional promotional material;3) promote use of health care provider fax referral system;4) Increase contractors funding for additional counseling services; 5) Fund enhancement of contractor client database to provide and capture a broader range of information for department reporting purposes.

15) Explanation of Need for the Proposed Amendment :

This Amendment is requested for approval to add service expansion and improvements to the current scope of service and for the input of additional funding in support of the amendment.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Zachary Meyer, Senior Vice President, 3311 East Old Shakopee Road, Minneapolis, MN 55425

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

None –Current contract was awarded as a result of an RFP . Contractor currently providing Quitline service. This amendment is only to fund an enhancement and expansion of many of the existing services.

21) Justification for the Proposed Non-Competitive Amendment :

In FY 08, the Department of Health was appropriated \$10 million in State funding to implement the comprehensive tobacco use prevention and cessation initiative. A portion of the funds are allocated for enhancement of counseling services and promotion of the Tennessee Tobacco QuitLine. Since the launch of the QuitLine on June 30, 2006 nearly 3,000 Tennesseans have called the QuitLine for help to kick the habit and many attribute their success in doing so to the iCanQuit program offered by the Tennessee Tobacco QuitLine. Although this number represents success for a first year cessation service, it is far short of our goal of providing services to 1,000-2,000 callers per month. During year one of the Tennessee Tobacco QuitLine media and promotional resources were very limited. As a result, there is low awareness of the QuitLine among the residents of Tennessee. The focus in the current year is to increase awareness and drive calls to the QuitLine thus increasing tobacco quit attempts and success by a large proportion of the 800,000 Tennesseans who want help in quitting tobacco use.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Luan R Cooper MSN, RN

10-30-07

Agency Head Signature

Date

CONTRACT SUMMARY SHEET

021406

RFS#		Contract #	
343.52-677-06		FA-06-16851-04	
State Agency		State Agency Division	
TENNESSEE DEPARTMENT OF HEALTH		HEALTH SERVICES ADMINISTRATION	
Contractor Name		Contractor ID # (FEIN or SSN)	
Ceridian Corporation		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 41-1981625-00	
Service Description			
TOBACCO QUITLINE			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
June 30, 2006	June 29, 2008	Vendor	93.283
Mark Each TRUE Statement			
<input checked="" type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts	
Allotment Code	Cost Center	Object Code	Fund
343.52	multi	139	11
FY	State	Federal	Interdepartmental
2007	\$ 195,630.00	\$ 239,104.00	-
2008	\$ 492,802.00	\$ 234,500.00	-
			-
			-
			-
TOTAL	\$ 688,432.00	\$ 473,604.00	\$ -
State Agency Fiscal Contact & Telephone #			
CRYSTAL ALLEN (615) 741-9419			
State Agency Budget Officer Approval			
Funding Certification (certification, required by T.C.A. §9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Other
2007	\$ 434,734.00	\$ -	-
2008	\$ 303,087.00	\$ 424,215.00	-
			-
TOTAL	\$ 737,821.00	\$ 424,215.00	-
Contractor Ownership (complete only for base contracts with contract # prefix FA or CR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			
<p>The Grantee was originally selected based upon it's reponse to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.</p>			

CONTRACT SUMMARY SHEET SUPPLEMENT

Contract Number							
Fiscal Year		2007					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11			93.283	\$239,104.00
343.52	150	139	11				\$195,630.00
TOTAL							\$434,734.00

CONTRACT SUMMARY SHEET SUPPLEMENT

Contract Number							
Fiscal Year		2008					
Allotment Code	Cost Center	Object Code	Fund	Grant Code	Subgrant Code	CFDA #	Amount
343.52	150	139	11				\$72,874.00
343.52	150	139	11			93.283	\$234,500.00
343.52	152	139	11				\$419,928.00
TOTAL							\$727,302.00

**AMENDMENT FOUR
TO CONTRACT NUMBER FA-06-16581-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and Ceridian Corporation, hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. Delete Section A.1.c., A.1.h., A.1.j., A.2., A.4., A.5., A.9., A.13., A.14., A.15., A.16., A.17., A.18., and replace these sections with the following:

A.1.c. For callers ready to quit within 30 days; the Contractor shall develop, produce and provide 1) an immediate brief intervention; 2) forward the caller to a counselor, if desired; 3) mail a quit kit tailored to the caller; 4) review Federal Drug Administration (FDA) approved cessation medications and advise on availability through Tennessee health plans or discount programs; 5) refer to community based services; and 6) offer five (5) proactive coaching calls with a time table sensitive to relapse prevention. 7) Beginning November 1, 2007, offer eight (8) proactive coaching calls with a time table sensitive to relapse prevention. This call model includes a coaching call made within four (4) to eight (8) weeks after the client's quit date.

A.1.h. The Contractor shall provide a computerized tracking system and relational databases for tracking all callers information, demographics, services provided, referrals and client outcomes. The contractor must maintain a relational database capable of linking individual client characteristics (at intake) to services received, outcomes, and, applicable, provider referral information (e.g. provider name, organization). The system must have the capacity to produce reports on call center operations, including call patterns by time of day, day of week and month. Client characteristics include age, gender, zip code, education, number of children in the home, tobacco users in the home, insurance status and type [Medicaid (TennCare), Medicare, commercial insurance, uninsured, unknown], smoking history, current tobacco use status, level of dependency, language – (English, Spanish, other languages) and motivation to quit.

Beginning January 1, 2008, the contractor must ask each caller the following questions and track the response in the computerized tracking system and relational databases: 1) Did the Tennessee smoking ban influence you to think seriously about quitting tobacco? Answer (select one): Agree, Disagree or No influence; 2) Did the cigarette tax increase influence you to think seriously about quitting smoking? Answer (select one): Agree, Disagree or No influence.

The Contractor shall track and report services separately for self-referred callers and tobacco users fax-referred by provider and assess differences between the two groups.

A.1.j. The Contractor shall develop for review and approval by the State, an implementation plan for continuous quality improvement and client outcome evaluation. Follow-up calls with quitline clients must be conducted at 3, 6, 9 and 12 months after the initial client call to verify tobacco use status of both fax-referred and self-referred callers to assess satisfaction, consumption reduction, quit attempts and sustained quits.

Beginning January 1, 2008, the Contractor shall also collect satisfaction surveys and testimonials from quitline clients in each health region, at least during the three (3) month

PRELIMINARY
NOT FOR ISSUE

client follow up call. The follow up calls evaluation must achieve acceptable response rates and include a sample size sufficient to provide estimates separately for self-referred and provider fax-referred quitline clients. Methods for computing and reporting quit rates should conform to CDC and NAQC recommendations.

- A.2. Establish, implement and maintain operation of an automated 24-hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation and beginning November 1, 2007 loop service. The quit tip line shall be operational for caller use before and after normal business hours seven (7) days per week and provide service on holidays.

- A.4. The Contractor shall:

1. Develop media concept, design, versioning and revisions for prior review and approval by the State, in accordance with Ceridian proposal dated July 9, 2007, of a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations, during the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract.
2. The campaigns, including media placement such as radio, employer directed marketing, indoor and outdoor ads, shall begin no later than November 1, 2007, and shall continue as specified through June 29, 2008, and any term extensions exercised by the State pursuant to Section B.2. of the contract.

- A.5. The Contractor shall develop Tennessee quitline promotional materials and cessation support materials in English and Spanish, tailored for Tennessee-specific priority populations: pregnant women, youth, college students and spit/chew tobacco users (e.g., tri-fold brochures, palm cards, etc.) during the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract. Promotional material shall be submitted for prior review and approval by the State may be developed in collaboration with other and/or neighboring states. Upon approval, the Contractor shall provide to the State a print/production ready original of each promotional item or product created to promote the Tennessee Tobacco Quitline.

- A.9. Develop and submit for prior review and approval by the state, a fax referral form and program for use by Tennessee health care providers and health care institutions to fax refer clients. Upon approval of the form and program by the state, the contractor shall provide the forms, via facsimile, statewide, to the state, health care providers and health care institutions. The fax referral form program shall be a critical component in the referral system and provide an avenue to let the health care providers and organizations know the quitline service exist. The fax referral program shall include a plan to implement a system of fax feedback for reports to provide and institutions that adopt a quitline fax referral program. The fax referral form and feedback program shall be developed and ready for use by December 31, 2006.

The Contractor shall continue operation, promotion and revisions of the fax referral form and service for use by Tennessee health care providers and health care institutions to fax refer clients. During the term of this contract and any term extensions exercised by the state pursuant to section B.2. of the contract. Upon approval of any revision to the form and service by the State, the Contractor shall provide access to the fax referral service

via facsimile and electronically, statewide, to the State, health care providers, and health care institutions.

- A.13. Submit first progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period from June 30, 2007 through October 31, 2007, due no later than November 15, 2007, which at a minimum shall include the following information.
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data analysis as requested by the State.

Submission of progress activity reports for the period June 30 through September 30, which are due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract and will include the new A.13.a. - h.

- a. Call volume as the total number of all calls received (at a minimum transferred from the national portal, handled by the call center, live answer, dropped/abandoned, after hour calls), the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and the proportion of priority population callers.
- b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, waiting time for callers, client satisfaction and service utilization, the number of calls received during times when a live answer is not available and abandonment rates.
- c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial (list name), uninsured, unknown and language – English, Spanish, other languages.
- d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation

to quit, NRT use and type, priority population status (youth, pregnant, college student, adult).

- e. Referral patterns as the number and percent of referrals made to local resources at a minimum such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
- f. Client outcomes including at a minimum such as client characteristics, referral source and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
- g. Promotional activity including distribution of promotional materials, information request, etc, call volume, call center operation, client characteristics, Referral patterns and Client outcomes including the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found at <http://www.naquitline.org>. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery.
- h. Other data or reporting as requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis.

A.14. Submit second progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period from November 1, 2007 through December 31, 2007, due no later than January 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports for the period October 1 through December 31 which are due by January 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)

- a. Call volume as the total number of all calls received (at a minimum transferred from the national portal, handled by the call center, live answer, dropped/abandoned, after hour calls), the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and the proportion of priority population callers.
- b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, waiting time for callers, client satisfaction and service utilization, the number of calls received during times when a live answer is not available and abandonment rates.
- c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial (list name), uninsured, unknown and language – English, Spanish, other languages.
- d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to

quit, NRT use and type, priority population status (youth, pregnant, college student, adult).

- e. Referral patterns as the number and percent of referrals made to local resources at a minimum, such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
 - f. Client outcomes including at a minimum, such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/ consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
 - g. Promotional activity including distribution of promotional materials, information request, etc, call volume, call center operation, client characteristics, Referral patterns and Client outcomes including the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found at <http://www.naquitline.org>. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery.
 - h. Other data or reporting as requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis.
- A.15. The Contractor shall submit a semi-annual report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period from June 30, 2007 through December 31, 2007, due no later than January 31, 2008 on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program; e.g. year to date comparison data, trends, breakdowns by counties, insurance status. (Submission of semi-annual reports due by January 31 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
- A.16. Submit third progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period from January 1, 2008 through March 31, 2008, due no later than April 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by April 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
- a. Call volume as the total number of all calls received (at a minimum transferred from the national portal, handled by the call center, live answer, dropped/abandoned, after hour calls), the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and the proportion of priority population callers.
 - b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, waiting time for callers, client satisfaction and service

utilization, the number of calls received during times when a live answer is not available and abandonment rates.

- c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial (list name), uninsured, unknown and language – English, Spanish, other languages.
- d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, college student, adult).
- e. Referral patterns as the number and percent of referrals made to local resources at a minimum such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
- g. Promotional activity including distribution of promotional materials, information request, etc, call volume, call center operation, client characteristics, Referral patterns and Client outcomes including the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found at <http://www.naquitline.org>. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery.
- h. Other data or reporting including data required in second paragraph of A.1.h. as requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis.

A.17. Submit fourth progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period from April 1, 2008 through June 29, 2008, due no later than July 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by July 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this contract.)

- a. Call volume as the total number of all calls received (at a minimum transferred from the national portal, handled by the call center, live answer, dropped/abandoned, after hour calls), the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and the proportion of priority population callers.
- b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, waiting time for callers, client satisfaction and service

utilization, the number of calls received during times when a live answer is not available and abandonment rates.

- c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial (list name), uninsured, unknown and language – English, Spanish, other languages.
- d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, college student, adult).
- e. Referral patterns as the number and percent of referrals made to local resources at a minimum such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
- g. Promotional activity including distribution of promotional materials, information request, etc, call volume, call center operation, client characteristics, Referral patterns and Client outcomes including the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found at <http://www.naquitline.org>. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery.
- h. Other data or reporting including data required in second paragraph of A.1.h.as requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis.

A.18. Submit annual project Summary report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State for the period June 30, 2007 through June 29, 2008, due by August 1, 2008, which at a minimum shall include the following information. (Submission of annual summary reports due by August 1, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.

- a. Call volume as the total number of all calls received (at a minimum transferred from the national portal, handled by the call center, live answer, dropped/abandoned, after hour calls), the total number and percent of calls by services provided (at a minimum information only; assigned to a coach; did not complete triage/declined enrollment; completed triage/enrolled; referred to local resource; Quit kit distribution), and the proportion of priority population callers.
- b. Call center operations (Service Delivery) including call patterns by time of day, day of week and month, waiting time for callers, client satisfaction and service

utilization, the number of calls received during times when a live answer is not available and abandonment rates.

- c. Client characteristics obtained at intake/assessment including age, gender, zip code/region/county, education, race/ethnicity, number of children in the home, number of tobacco users in the home, insurance status and type as: Medicaid (TennCare), Medicare, commercial (list name), uninsured, unknown and language – English, Spanish, other languages.
- d. Tobacco behaviors including tobacco product used (cigarette, spit/chew, other) tobacco use history, current tobacco use status, level of dependency, motivation to quit, NRT use and type, priority population status (youth, pregnant, college student, adult).
- e. Referral patterns as the number and percent of referrals made to local resources at a minimum such as Department of Health's Tobacco Cessation directory, local resources, the amount and type of informational materials distributed.
- f. Client outcomes including at a minimum such as client characteristics, referral source by enrollment and type of tobacco product used (cigarette, spit/chew, other), total and percent of completed calls, total number and percent of counseling session completed at follow-up periods, change in tobacco use behaviors/consumption reduction, use of NRT, quit rates at 3, 6, 9 and 12 months, etc.
- g. Promotional activity including distribution of promotional materials, information request, etc, call volume, call center operation, client characteristics, Referral patterns and Client outcomes including the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found at <http://www.naquitline.org>. The data shall be presented at state, regional and county levels. The report shall include discussion of monthly comparison, trends and other information relevant to optimal service delivery.
- h. Other data or reporting including data required in second paragraph of A.1.h. as requested by the state to allow the state to monitor call volume, effectiveness of media campaigns or for other data analysis.
- i. Annual process outcome and impact evaluation of the Tennessee Tobacco QuitLine including continuous quality improvement, recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

A.19. Add the following for the period beginning November 1, 2007.

Service Operations are not met:

The actual damages to be suffered by the state from the Quitline services not functioning properly or not at all or not capable of exact determination. In the event that the Quitline services are not functioning properly, the State will deduct a fixed amount of \$800 for each day or any part of a day, after January 1, 2008, that the Quitline services are not functioning properly or until services are performing adequately as specified in the terms

of the contract. All service operations of the Quitline must be functioning as specified within sections A.1. and A.2.

At the point that the Contractor becomes aware that the Quitline is not functional, the Contractor will notify the State Contact listed in Section E.2. within one hour during normal business working hours. If the Quitline is not functional on a weekend, night or holiday, once the Contractor becomes aware, then the Contractor will notify the State the next business day by 9:00, a.m., Central Time.

A.20. Add the following for the period beginning November 1, 2007.

Disaster Recovery:

The Contractor shall be required to maintain, update and test a disaster recovery plan designed to minimize any disruption of service provided pursuant to this contract. It shall be the sole responsibility of the contractor to provide and maintain adequate back up capability to ensure continued provision of all services specified in this Contract. The disaster recovery plan developed by the Contractor must be approved by the state no later than January 1, 2008.

2. The text of contract section C.1. is deleted in its entirety and replaced with the following:

C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this contract exceed Eight Hundred, Fifty Two Thousand, Three Hundred Thirty Dollars (\$852,330). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The contractor is not entitled to be paid the maximum liability for any period under the contract or any extensions of the contract for work not requested by the state. The maximum liability represents available funds for payment to the contractor and does not guarantee payment of any such funds for payment to the contractor under this contract unless the state request work and the contractor performs the said work. In which case, the contractor shall be paid in accordance with the service rates detailed in section C.3. The State is under no obligation to request work from the contractor in any specific dollar amounts or to request any work at all from the contractor during any period of this contract.

SERVICE UNIT/MILESTONE

AMOUNT

3. The text of the following as the Fifteenth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of first progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by	\$3,780
--	---------

November 15, 2007 (see scope A.13.)
(Amount to be paid upon completion of the milestone -
Less 10% retention, per C.9.) Submission of progress
activity reports due for the period June 30 through September 30
which are due by October 15, in a subsequent contract
period or periods is contingent on contract extension
referenced in Section B.2. of this Contract.

4. The text of the following as the Sixteenth Service Unit/Milestone in Section C.3.A., Services Unit/
Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the
following:

Submission of second progress activity report and companion \$2,700
linked data files for all calls received and services provided during
the reporting period in a format approved by the State – submitted
by January 15, 2008 (see scope A.14.)
(Amount to be paid upon completion of the milestone -
Less 10% retention, per C.9.) Submission of progress
activity reports due by January 15 in a subsequent contract
period or periods is contingent on contract extension referenced
in Section B.2. of this Contract.

5. The text of the following as the seventeenth Service Unit/Milestone in Section C.3.A., Services
Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with
the following:

Submission of Semi-Annual report and companion linked data \$3,051
files for all calls received and services provided during the
reporting period in a format approved by the State – Submitted by
January 31, 2008 (see scope A.15.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9.) Submission of a semi-annual
reports due by January 31 in a subsequent contract period
or periods is contingent on contract extension referenced in
Section B.2. of this Contract.

6. The text of the following as the Eighteenth Service Unit/Milestone in Section C.3.A., Services
Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with
the following:

Submission of third progress activity report and companion linked \$2,700
data files for all calls received and services provided during the
reporting period in a format approved by the State – Submitted
by April 15, 2008 (see scope A.16.)
(Amount to be paid upon completion of the milestone –
Less 10% retention, per C.9.) Submission of progress activity
reports due by April 15 in a subsequent contract period or periods
is contingent on contract extension referenced in Section B.2. of
this Contract.

7. The text of the following as the Twentieth Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

Submission of fourth progress activity report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by July 15, 2008 (see scope A.17.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by July 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.	\$2,700
---	---------

8. The text of the following as the Twenty First Service Unit/Milestone in Section C.3.A., Services Unit/ Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

<u>A. SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
---	----------------------

Submission of project summary report and companion linked data files for all calls received and services provided during the reporting period in a format approved by the State – Submitted by August 1, 2008 (see scope A.18.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of project summary reports due by August 1 in a subsequent contract period or periods is contingent on a contract extension referenced in Section B.2. of this Contract.	\$3,780
--	---------

9. The text of the following as the Twenty Second Service Unit/Milestone in Section C.3.B., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008 is deleted and replaced with the following:

<u>B. SERVICE UNIT/MILESTONE</u>	<u>AMOUNT</u>
---	----------------------

<u>B. SERVICE</u>	\$18,298 per month
Monthly operational cost of tobacco quitline June 30, 2007 – October 31, 2007 (Less 10% retention, per C.9.)	
Monthly operational cost of tobacco quitline January 1, 2008 – June 29, 2008 (Less 10% retention, per C.9.)	\$23,544 per month
Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract and will be made at the same rate as payments for January 2008 – June 29, 2008.	

10. Add the following as the Twenty Fourth Service Unit/Milestones in Section C.3.B., Services Unit/ Milestone, for the period beginning January 1, 2008.

Maintain operation of the automated 24 hour quit tip service telephone line with the addition of a loop service feature (see scope A.2.) (Less 10% retention, per C.9.) Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract. \$ 332.00 per mo.

11. Add the following as the Twenty Fifth Service Unit/Milestone in Section C.3.B., Services Unit/ Milestone, for the period beginning November 1, 2007.

a. Development of concept design, versioning and revisions, for variety of media campaigns in English and Spanish (see scope A.4.) (Less 10% retention, per C.9.) Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract. \$1,556 per mo.

b. Media Placement to include press releases, employer directed marketing, indoor and outdoor ads such as king size bus ads, street side posters, bench ads, shelter ads and bill boards(see Scope A.4.). (Less 10% retention, per C.9.) Monthly payments after June 29, 2008 are contingent on contract extension referenced in Section B.2. of this contract.

Total of media placement \$9,950.00 monthly amount to include:

- | | |
|---|--------------------|
| 1) Press Releases, Employer Directed Marketing Campaign: | \$3,963.00 per mo. |
| 2) Indoor ads- #25 GRP; 40 ads in Memphis and Nashville | \$ 420.00 per mo. |
| 3) Outdoor Ad, Transit/bus Exterior-#25 GRP; 25 King size posters in Nashville, 20 King size posters in Chattanooga and 38 King-Size posters in Memphis | \$2,252.00 per mo. |
| 4) Outdoor Ads, Street side posters -#25 GRP; 5 in Jackson | \$ 63.00 per mo. |
| 5) Outdoor Ads, Benches/Shelters -#25 GRP; 50 benches in Nashville; 25 shelters in Nashville | \$1,552.00 per mo. |
| 6) Outdoor Ads, Billboards - #25 GRP; 68 billboards in Memphis | \$1,700.00 per mo. |

12. Add the following as the Twenty Sixth Service Unit/Milestones in Section C.3.B., Services Unit/ Milestone, for the period beginning January 1, 2008.

Continue development and production of Quit line promotional material in English and Spanish.(see scope A.5). (Less 10% retention, per C.9.) Monthly payments after June 29, 2008 are contingent on contract Extension referenced in Section B.2. of this contract. \$ 3,072 per mo.

13. Add the following as the Twenty Seventh Service Unit/Milestones in Section C.3.B., Services Unit/ Milestone, for the period beginning January 1, 2008.

Continue promotion and operation of a fax referral system for Tennessee Health Care Professionals and Providers (see scope A.9.) (Less 10% retention, per C.9.) (Monthly payments after June 29, 2008 are - contingent on contract \$ 517.00 per mo.

extension referenced in Section B.2. of this contract.

14. Add the following as the Twenty Eighth Service Unit/Milestones in Section C.3.B., Services Unit/Milestone, for the period beginning January 1, 2008.

Programming cost for the enhancements as referenced in: \$ 30,000
A.1.c.7, A.1.h, A.1.j, A.2, A.4.1, A.4.2.

15. Delete section C.9 in its entirety and insert the following in its place:
C.9. Retention of Final Payment. An amount of Eighty Five Thousand Two Hundred, Thirty Three (\$85,233), representing ten percent (10%) of the maximum total compensation payable under this contract, shall be withheld by the state until fifteen (15) days after final completion of the services to be performed by the contractor under this contract.

The revisions set forth herein shall be effective January 1, 2008. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

CERIDIAN CORPORATION:

GRANTEE SIGNATURE

DATE

Zachery Meyer, President

PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)

DEPARTMENT OF HEALTH:

SUSAN R. COOPER, MSN, RN, COMMISSIONER

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman

Representatives

Curt Cobb	Donna Rowland
Curtis Johnson	David Shepard
Gerald McCormick	Curry Todd
Mary Pruitt	Eddie Yokley
Craig Fitzhugh, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>	

Sen. Douglas Henry, Vice-Chairman

Senators

Doug Jackson	Reginald Tate
Bill Ketron	Jamie Woodson
Paul Stanley	
Randy McNally, <i>ex officio</i>	
Lt. Governor Ron Ramsey, <i>ex officio</i>	

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Charles Curtiss, Chairman, Fiscal Review Committee
Bill Ketron, Chairman, Contract Services Subcommittee *cc BK*

DATE: June 28, 2007

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meeting 6/26/07)

RFS# 343.52-677

Department: Health

Contractor: Ceridian Corporation

Summary: This vendor is responsible for the operation of the Tennessee Tobacco Quitline which is a statewide toll-free telephone access line for cessation information, tobacco use counseling, and referral to local resources. The proposed amendment extends the current contract for one additional year, effective through June 29, 2008, and increases the maximum liability by \$303,087.

Maximum liability: \$434,734

Maximum liability w/amendment: \$737,821

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Susan Cooper, M.S.N., R.N., Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review

CONTRACT SUMMARY SHEET

021406

RFP #	Contract #
343.52-677-06	FA-06-16851-03
State/Agency	State/Agency Division
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
Contractor Name	Contractor ID # (FEIN or SSN)
Ceridian Corporation	C- or X V- 41-1981625-00

Service Description			
TOBACCO QUITLINE			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
June 30, 2006	June 29, 2008	Vendor	93.283

Mark Each TRUE Statement	
<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allocation Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
343.52	150	139	11		
FY	State	Federal	Intragovernmental	Other	TOTAL Contract Amount
2007	\$ 195,630.00	\$ 239,104.00			\$ 434,734.00
2008	\$ 136,086.00	\$ 167,001.00			\$ 303,087.00
					\$ -
					\$ -
					\$ -
					\$ -
TOTAL	\$ 331,716.00	\$ 406,105.00	\$ -	\$ -	\$ 737,821.00

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN (615) 741-9419
2007	\$ 434,734.00	\$ -	State Agency Budget Officer Approval
2008		\$ 303,087.00	<i>Crystal Allen</i>
TOTAL	\$ 434,734.00	\$ 303,087.00	
End Date	6/30/2007	6/29/2008	

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input checked="" type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged			

Contractor Selection Method (complete for ALL base contracts - N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The Grantee was originally selected based upon it's reponse to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

JUL 24

CONTRACT SUMMARY SHEET SUPPLEMENT

Contract Number

Fiscal Year

2007

Item Code

Cost Center

Object Code

Fund

Grant Code

Subgrant Code

CFDA #

Amount

343.52

150

139

11

93.283

\$239,104.00

343.52

150

139

11

\$195,630.00

TOTAL

\$434,734.00

Contract Number

Fiscal Year

2008

[illegible]

**AMENDMENT THREE
TO CONTRACT NUMBER FA-06-16581-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State and Ceridian Corporation, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section A.13., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
 - A.13. Submit first progress activity report in a format approved by the State from June 30, 2007 through September 30, 2007, due no later than October 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
 - a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data analysis as requested by the State.
2. Add the following as Section A.14., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
 - A.14. Submit second progress activity report from October 1, 2007 through December 31, 2007, due no later than January 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by January 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
 - a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.

- d. client outcomes (quit attempts, consumption reduction, quit status at 3 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
3. Add the following as Section A.15., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
- A.15. The Contractor shall submit semi-annual report from June 30, 2007 through December 31, 2007, due no later than January 31, 2008 on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program; e.g. year to date comparison data, trends, breakdowns by counties, insurance status. (Submission of semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
4. Add the following as Section A.16., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
- A.16. Submit third progress activity report from January 1, 2008 through March 31, 2008, due no later than April 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by April 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.)
- a. call volume (operations) and clients served including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 6 months).
 - e. operations, including call patterns by time of day, day of week and month, and waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
5. Add the following as Section A.17., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:

- A.17. Submit fourth progress activity report from April 1, 2008 through June 29, 2008, due no later than July 15, 2008, which at a minimum shall include the following information. (Submission of progress activity reports due by July 15, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 9 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
6. Add the following as Section A.18., for the period June 30, 2007 through June 29, 2008, and renumber subsequent clauses as necessary:
- A.18. Submit project Summary report for the period June 30, 2007 through June 29, 2008, due by August 1, 2008, which at a minimum shall include the following information. (Submission of summary reports due by August 1, in a subsequent contract period or periods is contingent on contract extension referenced in section B.2. of this Contract.
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 12 months).
 - e. operations, including call patterns by time of day, day of week and month, and waiting time for callers.
 - f. volume of calls received during times when a live answer is not available, abandonment rates.
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
 - h. annual process outcome and impact evaluation of the Tennessee Quitline including continuous quality improvement, recommendations for changes or adjustments in

Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

7. Delete Section B.1., in its entirety and insert the following in its place:

B.1. Contract Term. This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 29, 2008. The State shall have no obligation for services rendered by the Contractor, which are not performed within the specified period.

8. Delete Section C.1., in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Hundred Thirty Seven Thousand Eight Hundred Twenty One Dollars (\$737,821.00). The Service Rates in Section C.3. shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

9. Add the following as the Fifteenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of first progress activity report – Submitted by October 15, 2007 (see scope A.13.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by October 15, in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.	\$3,780
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10. Add the following as the Sixteenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of second progress activity report – Submitted by December 15, 2007 (see scope A.14.) (Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of progress activity reports due by December 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.	\$2,700
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11. Add the following as the Seventeenth Service Unit/Milestone in Section C.3.A., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008.

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of Semi-Annual report – Submitted by
January 15, 2008 (see scope A.15.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9.) Submission of a semi-annual
reports due by January 15 in a subsequent contract period
or periods is contingent on contract extension referenced in
Section B.2. of this Contract.

\$3,051

12. Add the following as the Eighteenth Service Unit/Milestone in Section C.3.A., Services Unit/
Milestone for the period June 30, 2007 through June 29, 2008:

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of third progress activity report – Submitted by
April 15, 2008 (see scope A.16.)
(Amount to be paid upon completion of the milestone - Less 10%
retention, per C.9.) Submission of progress activity
reports due by April 15 in a subsequent contract period or
periods is contingent on contract extension referenced in
Section B.2. of this Contract.

\$2,700

13. Add the following as the Twentieth Service Unit/Milestone in Section C.3.A., Service Unit/
Milestone for the period June 30, 2007 through June 29, 2008:

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of fourth progress activity report – Submitted by
July 15, 2008 (see scope A.17.)
(Amount to be paid upon completion of the milestone -
Less 10% retention, per C.9.) Submission of progress
activity reports due by July 15 in a subsequent contract
period or periods is contingent on contract extension
referenced in Section B.2. of this Contract.

\$2,700

14. Add the following as the Twenty-First Service Unit/Milestone in Section C.3.A., Service Unit/
Milestone for the period June 30, 2007 through June 29, 2008:

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of project summary report – Submitted by August 1, 2008 (see scope A.18.)
(Amount to be paid upon completion of the milestone - Less 10% retention, per C.9.) Submission of project summary reports due by August 1 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2. of this Contract.

\$3,780

15. Add the following as the Twenty-Second Service Unit/Milestone, in Section C.3.B., Services Unit/Milestone, for the period June 30, 2007, through June 29, 2008:

B. SERVICE UNIT/MILESTONE

AMOUNT

B. SERVICE

\$18,298 per month

Monthly operational cost of tobacco quitline June 30, 2007 – June 29, 2008 (Less 10% retention, per C.9.) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

16. Add the following as the Twenty-Third Service Unit/Milestone, in Section C.3.B., Services Unit/Milestone for the period June 30, 2007 through June 29, 2008:

B. SERVICE UNIT/MILESTONE

AMOUNT

B. SERVICE

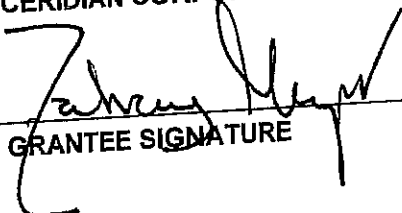
\$5,400 per month

Monthly cost of Media Campaign June 30, 2007 - June 29, 2008 (Less 10% retention, per C.9.) Monthly payments after June 30, 2008 are contingent on contract extension referenced in Section B.2. of this contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

CERIDIAN CORPORATION:

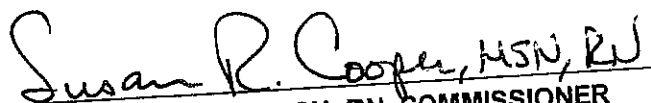

GRANTEE SIGNATURE

May 24, 2007
DATE

Zachery Meyer, President

PRINTED NAME AND TITLE OF AUTHORIZED GRANTEE SIGNATORY (above)

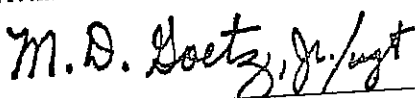
DEPARTMENT OF HEALTH:


SUSAN R. COOPER, MSN, RN, COMMISSIONER

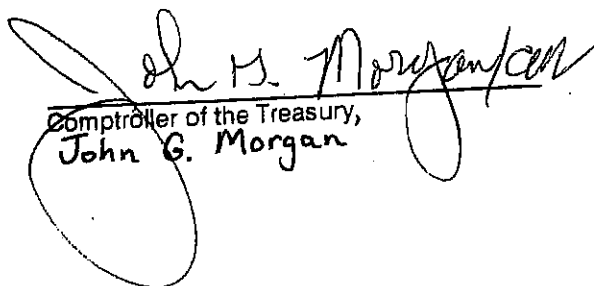
6/27/07
DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:


M. D. GOETZ, JR., COMMISSIONER

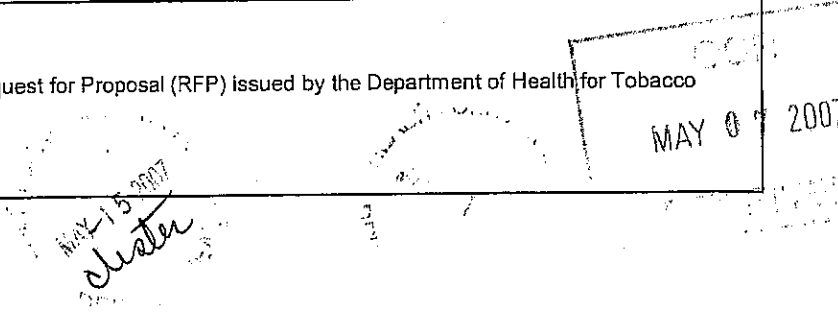
JUL 20 2007
DATE


Comptroller of the Treasury,
John G. Morgan

7-20-07

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
343.52-677-06				FA-06-16851-02			
State Agency				State Agency Division			
TENNESSEE DEPARTMENT OF HEALTH				HEALTH SERVICES ADMINISTRATION			
Contractor Name				Contractor ID # (FEIN or SSN)			
Ceridian LifeWorks d/b/a LEAD+ HEALTH, INC. <i>CORPORATION</i>				C- or <input checked="" type="checkbox"/> V- 41-1981625-00			
Service Description							
TOBACCO QUITLINE							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
June 30, 2006		June 30, 2007		Vendor		93.283	
Mark Each TRUE Statement							
<input checked="" type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
343.52		150		139		11	
Funding Grant Code		Funding Subgrant Code					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2007	\$ 195,630.00	\$ 239,104.00			\$ 434,734.00		
					\$ -		
					\$ -		
					\$ -		
					\$ -		
					\$ -		
TOTAL:	\$ 195,630.00	\$ 239,104.00	-	\$ -	\$ 434,734.00		
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN (615) 741-9419				
2007	\$ 434,734.00	\$ -	State Agency Budget Officer Approval				
			<i>Crystal Allen</i>				
			Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
TOTAL:	\$ 434,734.00	\$ -					
End Date	6/30/2007	6/30/2011					
Contractor Ownership (complete only for base contracts with contract # prefix: FA or GR)							
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input checked="" type="checkbox"/> NOT disadvantaged			
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—				
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method				
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg. ID, GG, GU)		<input type="checkbox"/> Other				
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
<p>The Grantee was originally selected based upon its response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.</p> <div style="text-align: right;">  </div>							

CONTRACT SUMMARY SHEET

021406

RF#	Contract #
343.52-677-06	FA-06-16851-01
State Agency	State Agency Division
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
Contractor Name	Contractor ID # (FEIN or SSN)
The Mulvihill Group, Inc., d/b/a Leade Health, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 38-2965012-00

Service Description			
Tobacco Quitline			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor	CHDA #
June 30, 2006	June 30, 2007	vendor	93.283

Mark Each TRUE Statement	
<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allocation Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
343.52	150	139	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$ 195,630.00	\$ 239,104.00			\$ 434,734.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
TOTAL	\$ 195,630.00	\$ 239,104.00	\$ -	\$ -	\$ 434,734.00

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN (615) 741-9419
2007	\$ 456,219.00	\$ (21,485.00)	State Agency Budget Officer Approval
			<i>Crystal Allen / BAP</i>
			Funding Certification (certification required by 49 C.F.R. § 94.5113 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL	\$ 456,219.00	\$ (21,485.00)	
End Date	6/30/2007	6/30/2007	

Contractor Ownership (complete only for base contracts with contract # prefix EA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged—			

Contractor Selection Method (complete for ALL base contracts; N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg. ID, GG, GU)	<input type="checkbox"/> Other	

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)	
<p>The Grantee has been selected based upon its response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.</p> <p style="text-align: right;">NOV 22 2006</p>	

NOV 18 2006

NOV 15 2006

CONTRACT SUMMARY SHEET

021406

Contract #	Contract #
343.52-677-06	FA-06-16857-00
State/Agency	State/Agency Division
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
Contractor Name	Contractor ID# (FEIN or SSN)
The Mulvihill Group, Inc., dba Leade Health, Inc.	C- or X V- 38-2965012-00

Service Description			
Tobacco Quitline			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
30-Jun-06	30-Jun-07	vendor	93.283

Mark Each TRUE Statement	
<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allocation Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
343.52	150	139	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$ 206,219.00	\$ 250,000.00			\$ 456,219.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
TOTAL	\$ 206,219.00	\$ 250,000.00	\$ -	\$ -	\$ 456,219.00

COMPLETE FOR AMENDMENTS ONLY			State/Agency/Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN - (615) 741-9419
			State/Agency Budget Officer Approval
			Funding Certification (certification required by T.C.A. § 9-4-6113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL	\$ -	\$ -	
End Date			

Contractor Ownership (complete only for base contracts with contract prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> OTHER minority/disadvantaged			

Contractor Selection Method (complete for ALL base contracts - N/A for amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)	<input type="checkbox"/> Other	

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The Grantee has been selected based upon its' response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

PROCESSED
JUL 17 2006
DIRECTOR OF ACCOUNTS



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman
Representatives

Harry Brooks Mary Pruitt
Curt Cobb Donna Rowland
Dennis Ferguson David Shepard
Frank Niceley Curry Todd
Craig Fitzhugh, *ex officio*
Speaker Jimmy Naifeh, *ex officio*

Sen. Don McLeary, Vice-Chairman
Senators

Mae Beavers David Fowler
Jim Bryson Steve Southerland
Steve Cohen
Douglas Henry, *ex officio*
Lt. Governor John S. Wilder, *ex officio*

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
 Department of Finance and Administration

FROM: Charles Curtiss, Chairman *CC*
 Don McLeary, Vice-Chairman *DM*

DATE: September 14, 2006

SUBJECT: **Contract Comments**
 (Contract Services Subcommittee Meeting 9/12/06)

RFS# 343.52-677

Department: Health

Division: Health Services Administration

Contractor: The Mulvihill Group, Inc. DBA Leade Health, Inc.

Summary: The vendor is currently responsible for the establishing and operating a statewide toll free telephone based system to assist tobacco users to quit. This is a one-year contract with a term beginning June 30, 2006, and ending June 30, 2007, with the option to extend the contract in one-year increments for a total of five years. This amendment revises the service unit/milestone rates and advances the date of the first benchmark from July 14, 2006, to August 4, 2006.

Maximum liability for original one-year term: \$456,219

Maximum liability with amendment: \$456,219

Maximum liability if extended for five years: \$1,071,094

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Kenneth Robinson, M.D., Commissioner
 Mr. Robert Barlow, Director, Office of Contracts Review

**AMENDMENT NUMBER TWO
TO CONTRACT NUMBER FA-06-16851-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and The Mulvihill Group d/b/a Leade Health, Incorporated, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section E.24:

Contractor Name. Effective January 1, 2007 all references to "The Mulvihill Group, Incorporated, d/b/a Leade Health Incorporated" shall be deleted and replaced with "Ceridian LifeWorks Corporation".

2. Add the following as Section E.25:

Federal Employer Identification Number. Effective January 1, 2007, the Federal Employer Identification Number of the Contractor shall be V41-1981625.

The other terms and conditions of this agreement not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

CORPORATION
CERIDIAN LIFEWORKS:

NAME AND TITLE

DATE

Zachary Meyer, Senior Vice President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY

DEPARTMENT OF HEALTH:

SUSAN R. COOPER, MSN, RN, COMMISSIONER

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

DEPARTMENT OF PERSONNEL:

Not Applicable

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

**AMENDMENT ONE
TO CONTRACT NUMBER FA-06-16851-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and The Mulvihill Group d/b/a Leade Health, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete the first paragraph of Section A.1 in its entirety and insert the following in its place:
 - A.1. Implement a statewide toll free dial-in telephone based system to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in English and Spanish. The quitline will serve as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The quitline services shall be available free of charge to all Tennesseans and shall use the telephone number 1-800-QUIT-NOW. A Telecommunication Device for the Deaf (TDD) line must be available to provide services to the hearing impaired. The quitline must be operational by August 4, 2006. The Contractor shall at a minimum provide the following services:
2. Delete Section A.2 in its entirety and insert the following in its place:
 - A.2. Establish and implement operation of an automated 24-hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation. The quit tip line shall be operational for caller use before and after normal business hours (Seven) 7 days per week and provide service on holidays. The 24-hour automated quit tip line shall be operational by August 4, 2006.
3. Delete the first paragraph of Section A.3 in its entirety and insert the following in its place:
 - A.3. Submit first progress activity report in a format approved by the State, from August 4, 2006 through August 31, 2006 due no later than September 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
4. Delete Section A.4 its entirety and insert the following in its place:
 - A.4. The Contractor shall develop for prior review and approval by the State, a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations. The media schedule approved campaigns shall be developed and presented to the State for final approval by August 21, 2006. The campaigns shall begin no later than September 19, 2006, and shall continue as specified through June 30, 2007.
5. Delete the first paragraph of Section A.6 in its entirety and insert the following in its place:
 - A.6. Submit second progress activity report from September 1, 2006 through September 30, 2006, due no later than October 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)

6. Delete Section C.1 in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Hundred Thirty Four Thousand Seven Hundred Thirty Four Dollars (\$434,734.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

7. Delete the first Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Program Operation Implementation: Completed by August 4, 2006
(see scope A.1.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

\$ 65,490 ✓

8. Delete the second Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Establish and implement operation of 24 hr quit tip telephone
Line: Operational by August 4, 2006 (see scope A.2.)
(Amount to be paid upon completion of the milestone)

\$2,988 ✓

8. Delete the third Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Operational cost of tobacco use quitline
August 4, 2006 – August 31, 2006 (see scope A.1.)
Less 10% retention, per C.9)

\$17,234 ✓

9. Delete the fourth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

\$3,780 ✓

Submission of first progress activity report –Submitted by September 15, 2006 (see scope A.3.)
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9) Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

10. Delete the fifth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

\$22,500 ✓

Development of Media Campaign Materials –Submitted by August 21, 2006 (see scope A.4.)
(Amount to be paid upon completion of the milestone- Less 10% retention, per C.9)

11. Add the following as the sixth Service Unit/Milestone in Section C.3.A

A. SERVICE UNIT/MILESTONE

AMOUNT

\$ 2,160 ✓

Operation cost of the Media Campaign September 19, 2006 – September 30, 2006
(see scope A.4) (Less 10% retention per C.9)

12. Delete the first paragraph of Section C.3 B. in its entirety and insert the following in its place:

B. SERVICE UNIT/MILESTONE

AMOUNT

\$18,298 per month ✓

B. SERVICE

Monthly operational cost of tobacco quitline September 1, 2006 – June 30, 2007
(Less 10% retention, per C.9) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

13. Delete the second paragraph of Section C.3 B. in its entirety and insert the following in its place:

B. SERVICE UNIT/MILESTONE

AMOUNT

\$5,400 per month ✓

B. SERVICE

Monthly operational cost of tobacco quitline October 1, 2006 –
June 30, 2007
(Less 10% retention, per C.9) Monthly payments after June 30, 2007
are contingent on contract extension referenced in Section B.2. of this
contract.

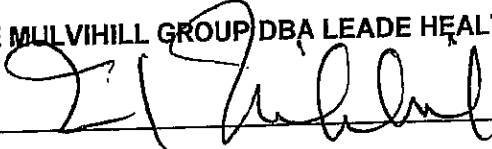
14. Delete Section C.9 in its entirety and insert the following in its place:

C.9. Retention of Final Payment. An amount of Thirty Nine Thousand Five Hundred Twenty One Dollars (\$39,521), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

THE MULVIHILL GROUP DBA LEADE HEALTH, INC.:



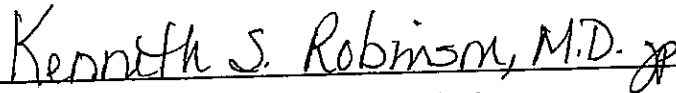
11/10/06

DATE

Michael Mulvihill, President

Printed Grantee's Name and Title

DEPARTMENT OF HEALTH:



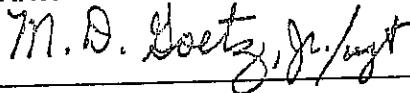
10-31-06

Kenneth S. Robinson, M.D., Commissioner

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:



DEC 08 2006

M. D. GOETZ, JR., COMMISSIONER

DATE

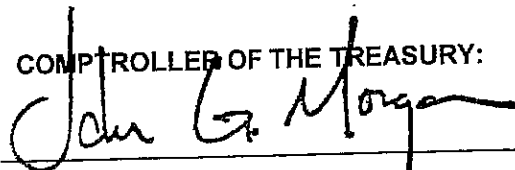
DEPARTMENT OF PERSONNEL:

Not Applicable

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:



12-13-06

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

CONTRACT SUMMARY SHEET

021406

RFS #	Contract #
343.52-677-06	FA-06-16851-00

State Agency	State Agency Division
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION

Contractor Name	Contractor ID # (FEIN or SSN)
The Mulvihill Group, Inc., dba Leade Health, Inc.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 38-2965012-00

Service Description
Tobacco Quitline

Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
30-Jun-06	30-Jun-07	vendor	93.283

Mark Each TRUE Statement	
<input checked="" type="checkbox"/> Contractor is on STARS.	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
343.52	150	139	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$ 206,219.00	\$ 250,000.00			\$ 456,219.00
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
TOTAL	\$ 206,219.00	\$ 250,000.00	\$ -	\$ -	\$ 456,219.00

COMPLETE FOR AMENDMENTS ONLY	State Agency Fiscal Contact & Telephone #
-------------------------------------	--

FY	Base Contract & Prior Amendments	THIS Amendment ONLY	State Agency Budget Officer Approval
TOTAL	\$ -	\$ -	

End Date	Funding Certification (certification required by T.C.A. § 9-4-5113 that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
-----------------	---

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business <input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged

Contractor Selection Method (complete for ALL base contracts - N/A to amendments or delegated authorities)			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		
<input type="checkbox"/> Other			

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
--

The Grantee has been selected based upon its' response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

NOV 3 2006

**CONTRACT
BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF HEALTH
AND
THE MULVIHILL GROUP, INC, DBA LEADE HEALTH, INC.**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the "State" and The Mulvihill Group, Inc., dba Leade Health, Inc., hereinafter referred to as the "Contractor," is for the provision of tobacco use quitline services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for-profit corporation. The Contractor's address is:

2301 N. Platt Rd., Suite #400, Ann Arbor, MI 48104

The Contractor's place of incorporation or organization is Michigan.

A. SCOPE OF SERVICES:

The Contractor Agrees to:

- A.1. Implement a statewide toll free dial-in telephone based system to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in English and Spanish. The quitline will serve as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The quitline services shall be available free of charge to all Tennesseans and shall use the telephone number, 1-800-QUIT-NOW. A Telecommunication Device for the Deaf (TDD) line must be available to provide services to the hearing impaired. The quitline must be operational by July 14, 2006. The Contractor shall at a minimum provide the following services:
- a. Tobacco users and recent quitters: the Contractor shall complete intake and document caller contact information, zip code, demographic information, insurance status, education level, number of tobacco users and children in the home, tobacco use history, and previous quit attempts.
 - b. For tobacco users, the Contractor will assess and document current tobacco use, level of dependency and readiness to quit.
 - c. For callers ready to quit within 30 days; the Contractor shall develop, produce and provide, 1) an immediate brief intervention, 2) forward the caller to a counselor, if desired; 3) mail a quit kit tailored to the caller; 4) review Federal Drug Administration (FDA) approved cessation medications and advise on availability through Tennessee health plans or discount programs; 5) refer to community based services; and 6) offer up to five proactive counseling calls within a timetable sensitive to relapse prevention.
 - d. The Contractor shall schedule proactive counseling sessions as appointments for a specific date and time. The initial attempt to reach patients fax-referred by providers should be made as requested on the form (e.g. preferred day/time of day) or within three (3) business days.
 - e. For callers who are not ready to quit, the Contractor shall develop and provide, 1) appropriate motivational messages to promote effective quitting; 2) send materials appropriate for callers not ready to quit; and 3) encourage callers to call back when they are ready to quit.

- f. The Contractor shall provide live call center response for a minimum of 60 hours per week Monday through Saturday. Peak times for calls should be monitored and hours of live staffing should be modified to meet peak call times. Hours of operation are to be discussed and approved by the State. Optimal hours of operation with live staffing include daytime hours, weekday evening hours and some weekend hours. Live operation shall not be required on Independence Day, Labor Day, Thanksgiving Day, and Christmas. However, coverage shall be maintained on all other holidays.
- g. The Contractor shall provide trained behavioral health specialists who can provide call center service in English and Spanish. At least 30 hours of orientation must be provided to call center personnel and ongoing staff training is required in clinical and administrative protocols. Counselors must receive weekly clinical supervision from a masters-level behavioral health specialist or certified tobacco specialist. Access to a medical expert (M.D.,) who can provide technical assistance and oversight shall be required.
- h. The Contractor shall provide a computerized tracking system and relational databases for tracking on caller information, demographics, services provided, referrals and client outcomes. The contractor must maintain a relational database capable of linking individual client characteristics (at intake) to services received, outcomes, and, applicable, provider referral information (e.g. provider name, organization). The system must have the capacity to produce reports on call center operations, including call patterns by time of day, day of week and month. Client characteristics include age, gender, zip code, education, number of children in the home, tobacco users in the home, insurance status and type, smoking history, current tobacco use status, level of dependency and motivation to quit. The contractor shall track and report services separately for self-referred callers and tobacco users fax-referred by provider and assess differences between the two groups.
- i. The Contractor must strive to meet the following performance standards for incoming call center operations and fax referrals, 1) 90% of calls received during operating hours will receive a live response, 2) Less than 5% abandonment for calls waiting greater than 30 seconds following the initial client queue message, 3) 100% of self-help materials will be sent within three(3) business days, 4) First contact with fax-referred clients will be attempted within the time frame specified on the form or within three (3) business days of receipt.
- j. The Contractor shall develop for review and approval by the State, an implementation plan for continuous quality improvement and client outcome evaluation. Follow-up calls with quitline clients must be conducted at 6 and 12 months to verify tobacco use status of both quitline fax-referred and self-referred callers to assess satisfaction, consumption reduction, quit attempts and sustained quits. The follow up outcome evaluation must achieve acceptable response rates and include a sample size sufficient to provide estimates separately for self-referred and provider fax-referred quitline clients. Methods for computing and reporting quit rates should conform to CDC and NAQC recommendations.
- k. The Contractor must maintain, and update annually, a Tennessee community resource and referral database. The database will include information on community resources; insurance coverage, health plan contact information, and other tobacco control internet and print resources. The database shall provide sufficient information to match caller to resources by location and type of cessation service, time service is available and specialized service for target populations. The Tennessee Department of Health, Tobacco Use Prevention and Control Program will collaborate with the Contractor to provide information regarding Tennessee specific cessation resources at contract startup; updated information will be provided to the Contractor on an annual basis thereafter.

- A.2. Establish and implement operation of a automated 24 hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation. The quit tip line shall be operational for caller use before and after normal business hours (Seven) 7 days per week and provide service on holidays. The 24 hour automated quit tip line shall be operational by July 14, 2006.
- A.3. Submit first progress activity report in a format approved by the State, from July 14, 2006 through July 31, 2006 due no later than August 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - caller demographics and other client characteristics information obtained at intake/assessment.
 - client outcomes (quit attempts, consumption reduction).
 - operations, including call patterns by time of day, day of week and month; waiting time for callers.
 - volume of calls received during times when a live answer is not available, abandonment rates.
 - other data analysis as requested by the State.
- A.4. The Contractor shall develop for prior review and approval by the State, a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations. The media schedule approved campaigns shall be developed and presented to the State for final approval by August 1, 2006. The campaigns shall begin no later than September 1, 2006, and shall continue as specified through June 30, 2007.
- A.5. The Contractor shall develop and submit for prior review and approval by the State, Tennessee quitline promotional materials and cessation support materials in English and Spanish, tailored for Tennessee-specific priority populations: pregnant women, youth, college students and spit/chew tobacco users (e.g., tri-fold brochures, palm cards, etc.) Promotional material may be developed in collaboration with neighboring states (MS, AL, AR, KY, IN, GA, VA,). Upon approval, the Contractor shall distribute materials to interested callers statewide. Material development and submission shall be completed no later than September 30, 2006.
- A.6. Submit second progress activity report from August 1, 2006 through September 30, 2006, due no later than October 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).

- c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 3 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
 - f. volume of calls received during times when a live answer is not available, abandonment rates
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- A. 7. Develop and submit for prior review and approval by the State, outcome measures consistent with the North American Quitline Consortium's (NAQC) proposed minimum data set (MDS) which can be found @<http://www.naqc.org>. Proposed outcome measurement process shall be submitted by October 31, 2006.
- A.8. The Contractor shall submit semi-annual report from October 1, 2006 through by December 31, 2006, due no later than January 15, 2007, on continuous quality improvement, including recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations or evaluation and identification of any obstacles to the effectiveness of the program e.g. year to date comparison data, trends, breakdowns by counties, insurance status. (Submission of semi-annual reports due by January 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- A.9. Develop and submit for prior review and approval by the State, a fax referral form and program for use by Tennessee health care providers and health care institutions to fax refer clients. Upon approval of the form and program by the State, the Contractor shall provide the forms, via facsimile, statewide, to the State, health care providers, and health care institutions. The fax referral form program shall be a critical component in the referral system and provide an avenue to let health care providers and organizations know the quitline services exist. The fax referral program shall include a plan to implement a system of fax feedback for reports to providers and institutions that adopt a quitline fax referral program. The fax referral form and feedback program shall be developed and ready for use by December 31, 2006.
- A.10. Submit third progress activity report from January 1, 2007 through February 28, 2007, due no later than March 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by March 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed.
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 6 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,

- f. volume of calls received during times when a live answer is not available, abandonment rates
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- A.11. Submit fourth progress report from March 1, 2007 through April 28, 2007, due no later than May 15, 2007, which at a minimum shall include the following information. (Submission of progress activity reports due by May 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 9 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
 - f. volume of calls received during times when a live answer is not available, abandonment rates
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.
- A.12. Submit project summary report for the period July 14, 2006 through June 15, 2007, by June 25, 2007, which at a minimum shall include the following information. (Submission of summary reports due by June 25 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)
- a. call volume (operations) and clients served, including self-referred callers (tobacco users, recent quitters, professionals, and proxies).
 - b. types and amounts of services provided (e.g., referral to local resources, amount and type of material distributed).
 - c. caller demographics and other client characteristics information obtained at intake/assessment.
 - d. client outcomes (quit attempts, consumption reduction, quit status at 12 months).
 - e. operations, including call patterns by time of day, day of week and month; waiting time for callers,
 - f. volume of calls received during times when a live answer was not available, abandonment rates.
 - g. other data or reporting requests as needed to monitor call volume during media campaigns (e.g. weekly) or for other data analysis.

- h. Annual process, outcome and impact evaluation of the Tennessee Quitline including continuous quality improvement, recommendations for changes or adjustments in Tennessee quitline protocols, processes, materials, operations and identification of any obstacles to the effectiveness of the program (e.g. year to date comparison data, trends, breakdowns by counties, insurance status).

A.13. The State Agrees to:

- a. Collaborate with the Contractor to provide information regarding Tennessee specific cessation resources at contract start up; updated information shall be provided to the Contractor quarterly thereafter.
- b. Review and approve information and materials within five (5) business days of receipt.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on June 30, 2006 and ending on June 30, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than Five (5) years, provided that the State notifies the Contractor in writing of its intention to do so at least Sixty (60) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Hundred Fifty Six Thousand Two Hundred Nineteen Dollars (\$456,219.) The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

A. SERVICE UNIT/MILESTONE

AMOUNT

Program Operation Implementation : Completed by
July 14, 2006 (see scope A.1.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

✓ \$ 65,490.30

Establish and implement operation of 24 hr quit tip telephone
Line: Operational by July 14, 2006 (see scope A.2.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

✓ \$ 2,988

Operational cost of tobacco use quitline
July 14, 2006 – July 31, 2006 (see scope A.1.)
Less 10% retention, per C.9)

\$ 11,079 X

Submission of first progress activity report –Submitted by
August 15, 2006 (see scope A.3.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of progress
activity reports due by August 15 in a subsequent contract
period or periods is contingent on contract extension
referenced in Section B.2 of this Contract.

\$ 3,780 X

Development of Media Campaign Materials –Submitted by
August 31, 2006 (see scope A.4.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

\$ 22,500 ✓

Development of Quitline Promotional Materials –Submitted by
September 30, 2006 (see scope A.5.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

\$ 24,660 ✓

Submission of second progress activity report –Submitted by
October 15, 2006 (see scope A.6.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of progress
activity reports due by October 15 in a subsequent contract
period or periods is contingent on contract extension referenced
in Section B.2 of this Contract.

\$ 2,700 ✓

Development of Outcome Measurement in accordance with
North American Quitline Consortium.- by October 31, 2006
(see scope A.7.)
(Amount paid upon completion of the milestone-
Less 10% retention, per C.9)

\$ 3,672 ✓

Submission of Semi-Annual report -Submitted by
January 15, 2007 (see scope A.8.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of a semi-annual
reports due by January 15 in a subsequent contract period
or periods is contingent on contract extension referenced in
Section B.2 of this Contract.

\$ 3,051 ✓

Development of Fax Referral Form and Feedback plan for
Tennessee Health Care Professionals and Providers :
Completed by December 31, 2006 (see scope A.9)
(Amount paid upon completion of the milestone-
Less 10% retention, per C.9

\$ 6,210 ✓

Submission of third progress activity report -Submitted by
March 15, 2007 (see scope A.10.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of progress activity
reports due by March 15 in a subsequent contract period or
periods is contingent on contract extension referenced in
Section B.2 of this Contract.

\$ 2,700 ✓

Submission of fourth progress activity report -Submitted by
May 15, 2007 (see scope A.11.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of progress
activity reports due by May 15 in a subsequent contract
period or periods is contingent on contract extension
referenced in Section B.2 of this Contract.

\$ 2,700 ✓

Submission of project summary report -Submitted by
June 25, 2007 (see scope A.12.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of project
summary reports due by June 25 in a subsequent contract
period or periods is contingent on contract extension
referenced in Section B.2 of this Contract.

\$ 3,780 ✓

PAYMENT PER MONTH

B. SERVICE

\$ 18,298.80 per month *

Monthly operational cost of tobacco quitline
August 1, 2006 - June 30, 2007
(Less 10% retention, per C.9) Monthly payments after June 30, 2007
are contingent on contract extension referenced in Section B.2. of this
contract.

\$ 5,400 per month *

Monthly cost of Media Campaign
September 1, 2006 - June 30, 2007 (see scope A.4.)
Less 10% retention, per C.9) Monthly payments after June 30, 2007
are contingent on contract extension referenced in Section B.2. of this
contract.

The Contractor shall submit invoices, in form and substance acceptable to the State with all of
the necessary supporting documentation, prior to any payment. Such invoices shall be
submitted for completed units of service or project milestones for the amount stipulated.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- C.9. Retention of Final Payment. An amount of Forty Five Thousand Six Hundred Twenty one Dollars Ninety Cents (\$45,621.90), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.
- D. STANDARD TERMS AND CONDITIONS:
- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least Sixty (60) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- E. SPECIAL TERMS AND CONDITIONS:
- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Donna Henry
Tennessee Department of Health
Community Services Section
425 5th Avenue North
Cordell Hull Building, 6th Floor
Nashville, TN 37247
Telephone: (615) 253-5800
Fax Number (615) 532-8478
E-Mail: Donna.Henry@state.tn.us

The Contractor:

Michael Mulvihill, President
Leade Health, Inc.
2301 North Platt Road, Suite 400, Ann Arbor, MI 48104
Telephone Number: (734) 995-0699
Fax Number: (734) 998-1011
E-Mail: mmulvihill@leadehealth.com

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in Breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.5. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit

prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

- E.6. State Ownership of Work Products. The State shall have all ownership right, title, and interest, including ownership of copyright, in all work products created, designed, developed, derived, documented, installed, or delivered to the State under this Contract. The State shall have royalty-free and unlimited rights to use, disclose, reproduce, or publish, for any purpose whatsoever, all said work products. The Contractor shall furnish such information and data upon request of the State, in accordance with the Contract and applicable State law.
- E.7. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, et. seq., shall be printed unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).
- E.8. Competitive Procurements. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or services. Such procurements shall be made on a competitive basis, where practical.
- E.9. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- The Contract document and its attachments
 - All Clarifications and addenda made to the Contractor's Proposal
 - The Request for Proposal and its associated amendments
 - Technical Specifications provided to the Contractor
 - The Contractor's Proposal.
- In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.
- E.10. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.11. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, and entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall

complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-grants, subcontracts, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

E.12. Public Funding Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Contractor relative to this Contract shall include the statement, "This project is funded under an agreement with the State of Tennessee." Any such notices by the Contractor shall be approved by the State.

E.13. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.

E.14. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.15. Copyrights and Patents. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

E.16. Public Accountability. If this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractor agrees to display a sign stating:

"NOTICE: This Contractor is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public passes to receive State funded services.

- E.17. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.18. Date/Time Hold Harmless. As required by *Tennessee Code Annotated*, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State
- In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.
- E.20. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, et. seq., the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.21. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it and its principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or grant under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.
- E.22. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.23. CFDA Number(s). When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied with in performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers:
- 93.283-Centers for Disease Control & Prevention-Investigations and Technical Assistance

IN WITNESS WHEREOF:

LEADE HEALTH, INC.:

Michael Mulvihill, President

Date

6/12/06

DEPARTMENT OF HEALTH:

Kenneth S. Robinson, M.D.

Kenneth S. Robinson, M.D., Commissioner

Date

6/15/06

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr.

M. D. Goetz, Jr., Commissioner

JUL 11 2006

Date

DEPARTMENT OF PERSONNEL:

NOT APPLICABLE

Nat E. Johnson, Acting Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

7/12/06